

From: Bernard Bradley
To: Microsoft ATR
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Subject: Microsoft Settlement

I am a software developer and have been creating software for the Microsoft environment for more than a decade. I consider myself a very knowledgeable Windows developer. I have recently transitioned my personal computing environment to the Apple Macintosh platform even though I still program and work exclusively in Windows in my business (I have to because of the Microsoft monopoly!).

I believe the proposed settlement is insufficient in its current state. While it does an adequate job of limiting non-competitive behavior in the future, it does nothing to compensate or correct the monopolistic situation that exists today. If this settlement had been enacted in the mid 1990's, it might be enough. But today, especially with this economic climate, there is no other viable alternative to the Microsoft operating system on an Intel computing platform. Technically there is Linux and other versions of Unix running on Intel, but given their incredible low market share it will be impossible for them to effectively compete. Even Apple, which offers a true competitive product on a different hardware platform, does not have enough of a market share to compete. Apple is also significantly disadvantaged because it does not run on the predominate hardware (Intel) platform.

Given the fact that this settlement will do nothing to restore a competitive environment, I believe it is inadequate. A true settlement would be one that not only stemmed the predatory practices, but also created real incentives for other products and innovations to compete with Microsoft at a significant level. Without such incentives, Microsoft will be able to use pricing to effectively eliminate any future competition. They will be able to say that the consumer is getting a great deal and that is why it is good for the consumer, but in reality they will be able to recoup the financial loss from one product because of their monopoly in others.

Secondly, I believe the interest of the consumer is not being served with this proposed settlement. As a developer, I can attest to the fact that the Microsoft Windows operating system is significantly flawed in its design. These flaws are evidenced by the security and reliability problems that have become well known over the years. Without true competition, Microsoft has been allowed to do three things. 1.) Continue to produce an operating system environment with fundamental design flaws; 2.) Hold critical information from competitive software developers about the operating system inner workings that are critical to producing quality product; and 3.) Charge customers upgrade fees every year or two for the latest version of the operating system or application software. The incentive to upgrade is often based on the

need to achieve a higher degree of reliability or security. Given that no competition really exists, the latest version of Microsoft product can flourish even if it only resolves a portion of the issues. In this manner, Microsoft is actually better off financially if it leaves a few flaws in the software. They will be the basic reason for users to consider the next upgrade.

My personal belief is that Microsoft would actually be a better company if it were broken into two organizations. One company to carry forward with the operating system and one to carry forward with the applications. In addition, some form of remedy to encourage or compensate competitive products should be considered. The damage has been done already. The current proposal is like closing the barn door after all the cows have gotten out.

Regards,
Bernard Bradley